VZCZCXRO7049 RR RUEHFK RUEHKSO RUEHNH DE RUEHKO #3114/01 3150608 ZNY CCCCC ZZH R 100608Z NOV 08 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC 8681 INFO RUEHBJ/AMEMBASSY BEIJING 6304 RUEHBY/AMEMBASSY CANBERRA 2848 RUEHIL/AMEMBASSY ISLAMABAD 2113 RUEHBUL/AMEMBASSY KABUL 0638 RUEHLO/AMEMBASSY LONDON 2234 RUEHMO/AMEMBASSY MOSCOW 2601 RUEHNE/AMEMBASSY NEW DELHI 8612 RUEHFR/AMEMBASSY PARIS 6311 RUEHUL/AMEMBASSY SEOUL 2279 RUEHWL/AMEMBASSY WELLINGTON 1077 RUEHFK/AMCONSUL FUKUOKA 0867 RUEHNH/AMCONSUL NAHA 3227 RUEHOK/AMCONSUL OSAKA KOBE 4652 RUEHKSO/AMCONSUL SAPPORO 1438 RHMFISS/CDR USCENTCOM MACDILL AFB FL RUEAIIA/CIA WASHDC RUEKJCS/CJCS WASHINGTON DC RUALSFJ/COMUSJAPAN YOKOTA AB JA RHHMUNA/HQ USPACOM HONOLULU HI RHEHAAA/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEHNO/USMISSION USNATO 1288

#### C O N F I D E N T I A L SECTION 01 OF 07 TOKYO 003114

#### SIPDIS

DEPT FOR S/P, EAP/J, AND EAP/K

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TAGS: PREL ECON EFIN EAID SENV KGHG KSCA KDEM XE

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SUBJECT: U.S. - JAPAN - KOREA TRILATERAL POLICY PLANNING

TALKS

Classified By: Ambassador J. Thomas Schieffer for reasons 1.4(b) and (d)

11. (C) SUMMARY: Trilateral Policy Planning talks were held in Tokyo October 28-29 by S/P Director David Gordon and his Japanese and South Korean counterparts, Deputy Vice Foreign Minister for Foreign Policy Koro Bessho, and Deputy Minister for Planning and Coordination Lim Dae-Hong. Main topics covered included the outlook for Japanese foreign policy, China, Afghanistan and Pakistan, the Asia-Pacific Strategic Environment and regional architecture, the global financial crisis, climate change, and global governance. Burma was also briefly touched upon. Trilateral discussions concerning North Korea are reported septel, as are S/P Gordon's discussions with several prominent former Japanese government officials. END SUMMARY.

# OUTLOOK FOR JAPANESE FOREIGN POLICY

12. (C) During a dinner focused on long-term foreign policy goals, Deputy Vice Minister Bessho spoke briefly about the impact of domestic politics on Japan's international relations. Praising PM Aso for his "outward-looking" approach, he cited Aso's "unusual" mention of the U.S.-Japan Alliance, relations with China and Korea, and the Corridor of Peace and Prosperity initiative during his recent UNGA speech to illustrate the current administration's ambitious diplomatic agenda. Laying out the historical development of the U.S.-Japan-ROK trilateral framework, Bessho assured his counterparts that there will be no big changes to these relationships if the opposition Democratic Party of Japan (DPJ) takes a majority in the next Lower House election. Describing the current DPJ insistence on a UN mandate as a prerequisite for Japanese involvement in international

operations as "extremist" and "untenable," he intimated that the opposition would change its views when faced with the reality of governance.

CHINA

- 13. (C) With regard to China, for Japan, it is not a question of "engaging" China, explained Bessho. China is there and getting stronger, and the government is not changing. Japan hopes that China will remain a "benevolent" power, but it will always be a big and powerful neighbor, even if relations with Japan improve. Bessho affirmed Japan's need to rely on the United States and other allies in engaging with China in a way that helps to shape its future.
- 14. (C) From Korea's perspective, Deputy Minister Lim observed that China is still regarded as an unequal partner as well. Citing surveys that rank China's "soft power" as very low in Asia, he underscored that recent food safety scares showed just how fragile that power can be. While everything involving the United States and Japan is exploited for political purposes, less is expected of China.

AFGHANISTAN AND PAKISTAN

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Japan: ODA Cornerstone of Policy

- 15. (C) Japan has broadened its focus on Pakistan away from just counter-terrorism to include more straightforward types of development assistance, reported DVM Bessho. Earlier this year, in an announcement timed for just before the Pakistani elections, Japan indicated that it is doubling the level of its Official Development Assistance (ODA) to Pakistan. However, Bessho noted, internal security remains a major issue and it appears an increase in domestic extremist attacks has dampened the enthusiasm of the Pakistanis to fight terrorism. In addition to Pakistan's security problems, Japan is concerned about the effect the current global economic crisis will have on Pakistan, said Bessho, including a potentially harsh agreement with the International Monetary Fund (IMF).
- 16. (C) With regard to Afghanistan, DVM Bessho recalled that as Director General for International Cooperation he had been in charge of ODA and visited Afghanistan. The experience made him understand just how difficult the situation is. While there are 40 to 50 Japan International Cooperation Agency (JICA) people on the ground in Afghanistan, it is very hard to insure their safety. Bessho said the lack of a strong leader is also part of the problem, noting that based on his discussions with many Afghans he has concluded that President Karzai does not enjoy popular support. However, there seems in the short term to be no solution other than to support him. Bessho reiterated PM Aso's strong support for passing the refueling bill.
- 17. (C) Bessho emphasized that Japan is working to help people understand that development and security are linked, and that security means support for the Afghan army and police. While Japan has a contingent of development people on the ground, sending troops is not easy as this would require the passage of a new law. This is unlikely given Japan's current domestic political situation. Japan will, accordingly, seek to support priorities set by existing Provincial Reconstruction Teams (PRTs) by calibrating its ODA to projects selected by them.
- ${\tt U.S.}$  View: International Support for Democratically Elected Governments

18. (C) S/P Director Gordon asserted that the issue of Afghanistan and Pakistan will be a focal point for whomever is elected president in the U.S. The overall approach will continue to be to engage as wide a coalition as possible, including NATO, alliance partners, China and Russia. The surprisingly strong resurgence of the Taliban has made it necessary for the international community to enhance its commitment, with priority given to standing up Afghan security forces. More assistance in particular must be given to the Afghan police.

19. (C) There have recently been some improvements in Pakistan's counter-terrorism efforts, reported Gordon. In addition, the three leaders of Pakistan, India, and Afghanistan now have decent personal relationships, and it is important to understand that Pakistan cannot re-orient its security forces to internal problems without an improved Indian-Pakistani relationship. Hopefully once the IMF

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becomes engaged in helping to address Pakistan's serious financial problems, Saudi Arabia, China, and perhaps other G7 partners will help, as well.

Korea: Afghanistan Very Far Away

110. (C) Deputy Minister Lim stated that from the Korean perspective, Afghanistan is very far away. Taijin Kim, Counselor at the Korean Embassy in Tokyo, who served at his country's embassy in Kabul from 2004 through 2005, stated there are two main problems in Afghanistan. First, he agreed that the Afghan army and police needed to be improved. However, this is an expensive proposition, and the current financial crisis may make it difficult for Seoul to act. Secondly, if U.S. support for Afghan President Karzai is conditional, then international support should not be unconditional. Kim also stated that Japanese refueling is not just a symbol of the U.S.-Japanese alliance, but also a symbol of Japanese commitment to the international community.

ASIA-PACIFIC STRATEGIC ENVIRONMENT

Japan: East Asia Summit Model Preferred

11. (C) Japan supports the development of an East Asian community, DVM Bessho said, while noting the difficulty in identifying the most appropriate institution to make this a reality. ASEAN Plus Three (Japan, Korea, China) plus Australia and New Zealand, or the East Asia Summit (EAS), which wraps in India and Russia, have potential but the lack of U.S. participation in both is a problem. ASEAN plays a critical role in the region and must continue to do so, although not as a "balancer" or by sitting in the driver's seat. Japan is watching carefully how ASEAN deals with its current challenges, including the Thailand and Cambodia border dispute and the growing wealth gap among members. Japan prefers EAS over an ASEAN Plus Three-centric grouping because membership is by individual nation rather than by blocks of nations. The Asia-Europe Meeting grouping (ASEM) brings in India, Pakistan and Mongolia but the wide geographic area covered by the group makes it hard to focus discussions. "Block voting" by the EU and ASEAN is also problematic. APEC's membership is large and unwieldy, while the inclusion of Taiwan and Hong Kong are sources of continual friction with China.

112. (C) Given that none of the current institutions represents a perfect paradigm, it is necessary to continue to build up small groupings, trilateral initiatives and specific-purpose bilateral agreements, despite the inevitable

overlaps, DVM Bessho continued. Hence, Japan is increasingly focused on bilateral free trade agreements and economic partnership agreements as a means to building up a sense of economic community in the region. Military and security issues have been even more difficult to deal with in regional institutions, and so bilateral alliances, trilateral initiatives and the ASEAN Regional Forum will continue to be relevant venues, DVM Bessho offered. He also noted that East Asia, Southeast Asia and increasingly China see the United States military presence as a "public force" that stabilizes the region.

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## Korea: Focus on ASEAN Plus Three

113. (C) Deputy Minister Lim said that while Japan favors the EAS over the ASEAN Plus Three-centered groupings, the ROK, which does not strongly support one or the other, believes the focus should be on ASEAN Plus Three. The ROK opposes parallel development of the EAS and the ASEAN Plus Three-centered groupings and instead would like to see the realization of entities that complement one another, according to Lim. Lee Dong-Gy echoed that small groupings of countries with shared values, geographic proximity and common strategic interests make the most sense.

## U.S.: APEC Central but not Dominant

114. (C) S/P Gordon told his counterparts that the United States does not see a single, coherent and ideal model for an Asian community but considers APEC as the central, but not dominant, institution in the region. Turning to the strategic context of the region, S/P Gordon described it as positive. Tensions are decreasing on the Korean Peninsula and in the Taiwan Strait. Regional integration is increasing and the Asia-Pacific region in general is no longer seen as full of conflict zones or a zero-sum area. The United States is deepening its historical alliances in the region and ties with other non-ally nations in the region are also expanding. U.S. engagement with China is intensifying. At the same time, China's military modernization, coupled with the lack of transparency and rising Chinese nationalism, is the key challenge for the region.

# Burma

115. (C) Turning the discussion to Burma, MOFA Senior Foreign Policy Coordinator Takehiro Kano said the Burmese leaders, who in the past had looked at Indonesia's strong central government control as a model, now look at Indonesia's continued progress down the democratic path as troublesome. Japan is not overly pessimistic or optimistic regarding how the 2010 national elections will go, but does want to discuss "red and green lines." DVM Bessho added that the key question is how to encourage and influence the adamant and stubborn Burmese leaders.

## GLOBAL FINANCIAL CRISIS

116. (C) Framing his remarks with a broad examination of the conditions of the global financial crisis and the administration's commensurate "extraordinary" and "unprecedented" responses, S/P Gordon led off by emphasizing three themes pertinent to the crisis. First, the U.S. remains committed to open markets, free trade, and the successful close of the Doha Round. Next, Gordon enunciated the need for a continued commitment from established and emerging markets alike to ensure that the development agenda "does not become a victim of the crisis." Finally, Gordon affirmed that countries should reject protectionism as a

response to financial market distress, evoking lessons of the Great Depression.

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- 117. (C) Korea's DFM Lim thanked Gordon for the U.S. show of initiative in convening the November 15 G-20 meeting, wryly noting that as the problem stemmed from the U.S., so, too, perhaps the solution would also come from the United States.
- 118. (C) Bessho said his views were so similar to Gordon's, he thought that they had been given the same briefing book.
  Noting that "we're not that badly off yet," but admitting the possibility of "catastrophe" if the crisis were unchecked, Bessho called the November 15 meeting vital. Echoing Prime Minister Aso's comments at UNGA, Bessho pledged that the Japanese economy would stand firm. At the same time, Bessho downplayed China's role, saying "they have their own problems and are preoccupied with their regions and agriculture.' Nevertheless, he hoped that China would be able to contribute.

CLIMATE CHANGE

- 119. (C) DFM Lim reiterated South Korea's commitment to voluntary action to improve energy efficiency and reduce greenhouse gas emissions and described Korea's proposal to host a world summit on climate change and sustainable development in 2012 to showcase Korea's commitment to "low-carbon green growth."
- 120. (C) For Japan, Bessho emphasized the need for realism, commenting that certain countries' lofty but unfeasible commitments are unhelpful. He said Japan seeks widespread recognition of developing countries' varied interests, and suggested the Japan-Africa Cool Earth Partnership unveiled this spring at the Fourth Tokyo International Conference on African Development (TICAD IV) is significant because it represents a public articulation by low-emitting developing countries of the ways their interests differ from those of the major emerging economies. Policy Planning Division Director Hikariko Ono added that the pursuit of green technology represents a strategic opportunity for all three countries.
- 121. (C) All three participants agreed next year's negotiations will be critical, and Gordon explained he views the U.S., Japan, and Korea as the core of a group of like-minded nations whose leadership will be required to bridge the gap between European and the developing world's views.

#### GLOBAL GOVERNANCE

- 122. (C) S/P Gordon highlighted the challenges of strengthening multilateral policy frameworks and creating sound governance systems amid an increasingly multipolar global decisionmaking environment. He underscored the important role of multilateralism in addressing several issues raised in the draft National Intelligence Council 2025 report, including climate change, the financial crisis, North Korea, and Iran. Political will and leadership were critical factors toward effective governance.
- 123. (C) ROK MOFA Deputy Minister Lim and his colleague, Director Park, agreed that multilateralism was a difficult

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goal, particularly as the number of influential global actors increased. Park stressed that existing institutions, such as APEC and the IMF, were bound internally by widespread concerns about fragmentation. The key challenge was to strengthen the cohesion of these global and regional institutions.

124. (C) Adequate representation was an additional challenge to effective multilateralism. The perfect organization does not exist, according to DVM Bessho. The G-20, for example, addresses pressing issues such as the current global financial crisis, but key players from the Middle East region are conspicuously absent. Bessho opined that the global community had to tolerate such mechanisms. Gordon added that using existing venues, such as the G-20, was the logical alternative to constructing new entities that risked excluding some countries. Bessho concluded by noting the importance of stewardship and noted that world demand for U.S. leadership remains strong, despite negative perceptions some countries might harbor toward the United States.

#### PARTICIPANTS

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- 125. (U) United States:
- -- S/P Director David F. Gordon;
- -- Mr. James Green, S/P Staff;
- -- Mr. Mike Meserve, Embassy Tokyo Political Minister Counselor;
- -- Mr. Joseph Yun, Embassy Seoul Political Minister Counselor;
- -- Mr. Evan Reade, Embassy Tokyo First Secretary;
- -- Mr. Daniel Garrett, Embassy Tokyo Second Secretary (notetaker);
- -- Mr. Dan Cintron, Embassy Tokyo Second Secretary (notetaker);
- -- Mr. Mateo Ayala, Embassy Tokyo Deputy Financial Attache (notetaker);
- -- Ms. Heather Dress, Embassy Tokyo Second Secretary (notetaker);
- -- Mr. Jamie Roane, Embassy Tokyo Second Secretary (notetaker).
- 126. (U) Japan:
- -- Deputy Vice Minister for Foreign Policy Koro Bessho;
- -- Mr. Kazuyoshi Umemoto, Deputy Director General for Foreign Policy;
- -- Ms. Hikariko Ono, Director, Policy Planning Division;
- -- Mr. Takehiro Kano, Senior Foreign Policy Coordinator;
- -- Ms. Mayu Higiwara, Deputy Director, Policy Planning

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#### Division;

- -- Mr. Kensuke Nagase, Deputy Director, Policy Planning Division.
- 127. (U) Republic of Korea:
- -- Deputy Foreign Minister for Planning and Coordination Lim Dae-Hong;
- -- Mr. Park Jong-Dae, Director, Policy Planning and Coordination Division:

- -- Mr. Kim Tae-Jin, Counselor, ROK Embassy Tokyo;
- -- Mr. Lee Choong-Myon, Assistant Secretary to the President for National Security Strategy, Office of the President;
- -- Mr. Lee Dong-Gy, First Secretary, Japan Division;
- -- Mr. Kim Yeon-Sik, Second Secretary, North America Division;
- $\mbox{--}$  Mr. Yun Young-Ki, Second Secretary, Policy Planning and Coordination Division.
- 128. (U) S/P Director Gordon cleared this cable.

SCHIEFFER